

Exhibit 2

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

IN RE: . Case No. 21-30589 (MBK)
LTL MANAGEMENT LLC, .
Debtor. .
LTL MANAGEMENT, LLC, . Adversary No. 21-03032 (MBK)
Plaintiff, . Clarkson S. Fisher U.S.
v. . Courthouse
THOSE PARTIES LISTED ON . 402 East State Street
APPENDIX A TO THE . Trenton, NJ 08608
COMPLAINT, ET AL., .
Defendants. . Friday, February 18, 2022
9:01 a.m.
.

TRANSCRIPT OF TRIAL DAY FIVE
BEFORE THE HONORABLE MICHAEL B. KAPLAN
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Jones Day
By: GREGORY M. GORDON, ESQ.
DANIEL B. PRIETO, ESQ.
AMANDA RUSH, ESQ.
2727 North Harwood Street, Suite 500
Dallas, TX 75201

Jones Day
By: ROBERT W. HAMILTON, ESQ.
325 John H. McConnell Blvd., Suite 600
Columbus, Ohio 43215-2673

Audio Operator: Wendy Romero

Proceedings recorded by electronic sound recording, transcript
produced by transcription service.

J&J COURT TRANSCRIBERS, INC.
268 Evergreen Avenue
Hamilton, New Jersey 08619
E-mail: jjCourt@jjCourt.com
(609) 586-2311 Fax No. (609) 587-3599

APPEARANCES (Cont'd) :

For the Debtor:

Jones Day
By: DAVID S. TORBORG, ESQ.
51 Louisiana Avenue, N.W.
Washington, D.C. 20001-2113

Jones Day
By: CAITLIN K. CAHOW, ESQ.
77 West Wacker, Suite 3500
Chicago, IL 60601-1692

Skadden, Arps, Slate, Meagher &
Flom LLP and Affiliates
By: ALLISON M. BROWN, ESQ.
One Manhattan West
New York, NY 10001-8602

Otterbourg P.C.
By: MELANIE L. CYGANOWSKI, ESQ.
ADAM C. SILVERSTEIN, ESQ.
230 Park Avenue
New York, NY 10169-0075

For the Official
Committee of Talc
Claimants 1:

Brown Rudnik, LLP
By: JEFF JONAS, ESQ.
MICHAEL WINOGRAD, ESQ.
7 Times Square
New York, NY 10036

Genova Burns, LLC
BY: DANIEL M. STOLZ, ESQ.
110 Allen Road, Suite 304
Basking Ridge, NJ 07920

Bailey & Glasser, LLP
By: BRIAN GLASSER, ESQ.
105 Thomas Jefferson Street NW
Suite 540
Washington, DC 20007

For the Official
Committee of Talc
Claimants 2:

Sherman Silverstein
By: ARTHUR ABRAMOWITZ, ESQ.
East Gate Corporate Center
308 Harper Drive, Suite 200
Moorestown, NJ 08057

APPEARANCES (Cont'd) :

For the Official
Committee of Talc
Claimants 2:

Cooley LLP
By: IAN SHAPIRO, ESQ.
55 Hudson Yards
New York, NY 10001

Cooley LLP
By: SHAMIS BECKLEY, ESQ.
500 Boylston Street, 14th Floor
Boston, MA 02116-3736

Cooley LLP
By: MATTHEW KUTCHER, ESQ.
444 W. Lake Street, Suite 1700
Chicago, IL 60606

For Johnson & Johnson:

White & Case LLP
By: JESSICA LAURIA, ESQ.
1221 Avenue of the America
New York, NY 10020

Lowenstein Sandler
By: KENNETH ROSEN, ESQ.
One Lowenstein Drive
Roseland, NJ 07068

Johnson & Johnson
By: ERIK HAAS, ESQ.
ANDREW WHITE, ESQ.
1 Johnson & Johnson Plaza
New Brunswick, New Jersey, 08933

For the U.S. Trustee:

U.S. Department of Justice
By: LAUREN BIELSKIE, ESQ.
LINDA RICHENDERFER, ESQ.
JEFFREY M. SPONDER, ESQ.
One Newark Center, Suite 2100
Newark, NJ 07102

For Arnold & Itkin, LLP: Pachulski Stang Ziehl Young & Jones,
PC
By: LAURA DAVIS JONES, ESQ.
919 Market Street
16th Floor, PO Box 8705
Wilmington, DE 19899

APPEARANCES (Cont'd):

For DeSanto Canadian Class Action Plaintiffs: Lite DePalma Greenberg & Afanador, LLC
By: ALLEN JOSEPH UNDERWOOD, II, ESQ.
570 Broad Street, Suite 1201
Newark, NJ 07102

For Aylstock, Witkin, Kreiss & Overholtz, PLLC: Klee, Tuchin, Bogdanoff & Stern, LLP
By: ROBERT J. PFISTER, ESQ.
1801 Century Park East, 26th Floor
Los Angeles, CA 90067

* * * * *

1 MR. GORDON: Yeah.

2 THE COURT: -- in different briefs.

3 MR. GORDON: Yeah. I think what you're referring --
4 and these are good questions, Your Honor. This is complicated,
5 so I appreciate your asking me. I think what you're referring
6 to is the fact that, again, we tried to make clear in this
7 funding agreement that if the value of New JJCI actually goes
8 up post the transaction, then the value under the funding
9 agreement also goes up.

10 And that goes to my point about it sets a floor based
11 on the value of what Old JJCI was in the moment in time before
12 this transaction minus or excluding the talc costs. And then
13 if that value goes up, the estate would get the benefit of that
14 value, as well.

15 THE COURT: Okay. Thank you.

16 MR. GORDON: And I just wanted to point out also in
17 this slide, and I think Your Honor's probably seen there's
18 literally no conditions or any material conditions on the
19 permitted funding uses under this document. I'll come back to
20 this.

21 So I did want to focus on permitted funding use
22 because the other side I think has fashioned a new argument
23 that we hadn't heard before with respect to the funding
24 agreement. So there's basically two different scenarios where
25 funding is available.

1 The first is funding in the tort system. And as you
2 would expect, what that funding says is that the payors are
3 obligated to pay the liabilities to the extent they're
4 established by a judgement or a settlement in the tort system.
5 That's what you would expect and that's what happens. You want
6 funds available to pay settlements, to pay judgments in the
7 tort system. So it makes very clear this is what we're talking
8 about if there's no proceeding in bankruptcy. Whether there
9 was no case filed or whether the case is filed or dismissed,
10 the money's available for that purpose.

11 And you can imagine, Your Honor, by the way, the hue
12 and cry you would have heard if this provision weren't in there
13 because they would have said that we've manipulated the whole
14 system because you filed bankruptcy and now you're going to
15 tell the Court you can't dismiss our case because there's no
16 money available if we go back in the tort system.

17 So this is there to protect the claimants. It's
18 there to assure this isn't treated or consider a fraudulent
19 conveyance. The idea was and the intent was the claimants are
20 covered either way in bankruptcy or outside.

21 Now where the criticism I think has been focused is
22 on this provision. And this talks about how the funding is
23 used if a bankruptcy case is commenced. And what it talks
24 about is if the payors are obligated to pay the liabilities in
25 connection with the funding of one or more trusts for the

1 C E R T I F I C A T I O N

2 We, KAREN WATSON, DIPTI PATEL, ELIZABETH REID-
3 GRIGSBY, LORI KNOLLMEYER, LIESL SPRINGER, and JOY K. BRENNAN
4 court approved transcribers, certify that the foregoing is a
5 correct transcript from the official electronic sound recording
6 of the proceedings in the above-entitled matter, and to the
7 best of our ability.

8

9 /s/ Karen Watson

10 KAREN WATSON

/s/ Liesl Springer

LIESL SPRINGER

11

12 /s/ Dipti Patel

13 DIPTI PATEL

/s/ Joy K. Brennan

JOY K. BRENNAN

14

15 /s/ Elizabeth Reid-Grigsby

16 ELIZABETH REID-GRIGSBY

/s/ Lori Knollmeyer

LORI KNOLLMEYER

17 J&J COURT TRANSCRIBERS, INC.

Date: February 22, 2022

18

19

20

21

22

23

24

25